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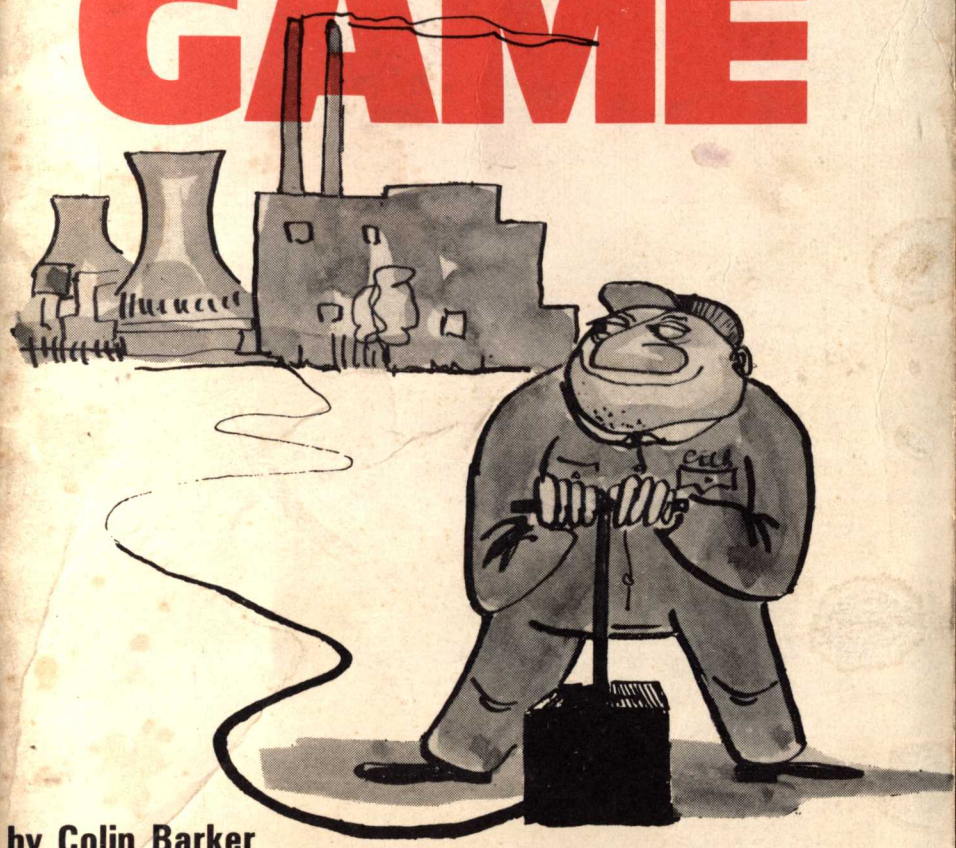
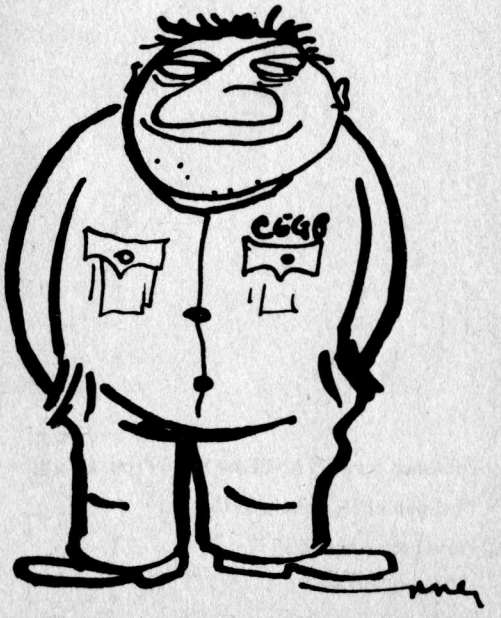
THE POWER GAME



by Colin Barker
illustrations by 'rag'

by Colin Barker
illustrations by 'RAG'
published by Pluto Press for *ADVANCE*

for Joe
Classic Socialist Greetings
Colin



THE POWER GAME

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Foreword

For some years now, workers in the Supply Industry have been bombarded with fairy stories about the Industry's efficiency and the wonders of status and productivity deals. Together, the CEGB and Trade Union leaders have poured gallons of ink on reams of paper, telling us of all the benefits of these schemes. Until now, they have had a field day.

With the publication of Colin Barker's booklet, *The Power Game,* workers in the Supply Industry have at last a handbook which exposes the waste and inefficiency in the Industry. The author shows the price that workers and consumers have had to pay for this inefficiency. Here are the facts that don't appear in the electricity bosses' publications – I wonder why?

The Power Game gives a detailed account of the history of status and pay and productivity schemes and what these schemes have meant to the workers in the Industry. It tells what happened to wages and conditions and jobs in the Industry, why it happened and (most important) *what to do about it.*

The booklet is a useful rank-and-file handbook in the fight for better wages and working conditions and to save jobs. It's a guide to action. Its message is very clear on how to fight the productivity schemes, and how to make our Unions more effective in the struggle in the Industry.

This booklet can be strongly recommended as an effective weapon to be used by Supply workers in their day-to-day struggles at their various locations. Likewise inside their Unions in the fight for more democratic control. Finally, in the struggle for higher wages and better working conditions.

I believe the booklet will be of great interest to Trade Unionists in other industries too. For the struggles of the Supply workers are not peculiar to their Industry. Today all workers are facing similar problems. We can all learn, from each others' battles, how better we can all fight together.

Wally Preston
Editor of *ADVANCE*

A Consumer's Guide to the

Typical Manager & Worker

1 The Power Industry

In money terms, the electricity supply industry is by far the biggest in Britain. Its total fixed capital is roughly equal to the combined total of all other nationalised industries except steel, and it has been growing very rapidly. From 1960 to 1970, it consumed £4,795,700,000 worth of capital, more than half from internal financing. In fact, over this period, the supply industry found from its own resources a sum equal to over £21,000 per worker, quite apart from what it borrowed.

From 1948, when it was nationalised, to 1970, its income rose by 585%, while average earnings in the industry rose by only 271%. At the same time, the price of electricity has risen more slowly than that of other commodities: the unit price of electricity, 1948-70, rose by only 60% while the average price of all commodities and services rose by 101%. The electricity bosses have boasted a lot about this: thus Mr. R. D. V. Roberts wrote to *The Times* (7 September 1970)

'I know of no major industry . . . which, over a comparable period, has achieved a better combined record than this of sales expansion, improved labour productivity, labour cost control and manpower economy'.

Certainly the rise in productivity has been staggering: in 1948 it took 29 workers to produce 10 million kilowatt hours, but in 1970 only seven workers.

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When Labour nationalised certain basic industries after the last war, many workers believed that somehow these industries were being removed from the sphere of capitalism. The old hated private owners were being dispossessed, and the industries would now be run in the interests of their workers and of the community as a whole. They were soon disillusioned. Far from being islands of socialism in the ocean of capitalism, the nationalised industries became one of the props for the postwar revival and expansion of the British capitalist system.

All through the 1950s, the nationalised industries were milked by private industry. First, huge sums were paid as 'compensation' to the old owners who had run them so inefficiently. The taxpayer paid out £540 million to buy out the electricity supply concerns 'for the nation'. Once they were state-owned, the 'national interest' demanded that the nationalised industries should charge prices which were too low to cover their costs. They ran more and more into debt, as their low prices subsidised private business.

Rapidly the burden of 'compensation' was overshadowed by the burden of new debts. John Hughes calculated in the 1960s that since nationalisation the capital debt of the public sector had grown three times, their interest payments *five* times.[1] In the case of the supply industry alone, by the year 1969-70 the burden of interest payments had risen to 16.8% of total income: in other words, £158.2 million was handed over to the money-lenders that year – only slightly less than the industry's total wage and salary bill.

Through low prices the nationalised industries gave the private sector of business something like £70 million a year in the mid-1950s, and something like £100 million a year by the end of the decade.[2] The cost was carried by the taxpayer, of course. The level of that cost can be seen from a Government estimate made in the 1960s:

'. . . in Exchequer terms a decline of only 1 per cent in the earning power of the (nationalised) industries as a whole means an increase of £90 million per annum to be found by taxation or Exchequer borrowing – approximately equal to 6d on the standard rate of income tax'.[3]

The result of underpricing was, according to the Government in 1961, that

'The total retained income of all these industries taken together has not been sufficient to provide for the replacement of assets used up in the production process . . . this is also the case in most of the individual industries concerned'.[4]

When electricity, along with the other nationalised enterprises, did move towards self-financing after 1961, it had to carry the additional burden of debt built up during the under-pricing period of the 1950s. At the same time it had to pay the costs of developing nuclear power and of an enormous building programme. At this point, when the milch-cow was getting dry, more and more sections of private industry went over to generating their own electric power – as the act of nationalisation had carefully allowed them to do – till today something like 21% of the power used by industry is privately generated.[5]

Some private firms came to special 'arrangements' with the electricity authorities to get their electricity cheap, sometimes threatening to build their own power stations to 'persuade' the Electricity Council.

One of the most famous cases of price-fixing concerns the aluminium industry. The last Labour Government was anxious to get the big aluminium companies to build smelters in Britain, to cut the imports of refined aluminium. They offered huge investment grants if the companies would open up in the development areas.[6] But the aluminium companies were only interested if they could be guaranteed cheap power as well.

After months of intricate negotiations, it was announced that Rio Tinto Zinc and British Aluminium would get their electricity at 0.6d a unit – compared with the 1d a unit paid by the comparable steel industry. The 'justification' was that the aluminium monopolies would make capital contributions towards the building of the nuclear power stations from which they would draw their power. These grants would be offset by the grants the Government was giving the aluminium firms (reportedly £62 million!).[7]

The theory was that the aluminium smelters would draw their power from (cheap) nuclear sources, whereas the rest of us, industry and domestic consumers alike, get our power from the (expensive) National Grid. The flaw in the theory is that the Invergordon smelter, in the North of Scotland, will (purely theoretically) draw its power from Hunterston, in the South of Scotland; while the Anglesey smelter, in North Wales, will get its power from Dungeness, in Kent! Nothing but the National Grid links either smelter it its (theoretical) nuclear power station. The agreement is said to provoke enormous mirth to this day in the boardroom of Rio Tinto.

Though not all on the scale of Rio Tinto, all industries get cheap electricity. Though demand for electricity has been expanding twice as fast in the domestic market, domestic electricity costs much more than industrial. From 1950 to 1966, the average price per unit to industrial consumers rose from 0.948d to 1.478d (56%) while that

to domestic consumers rose from 1.352d. to 1.909d (41%). However, in 1967, when the supply industry failed to meet its financial targets, it slapped 12½% rises on its domestic consumers, to widen the gap again.[8] The burden of cheap electricity for private industry has to be carried by the workers and domestic consumers.

Other factors in the industry's cost structure also affect its 'profitability' and its prices.

Thus, the supply industry is required by the Government to burn six million tons more coal than it would choose to use. It takes 76 million tons a year from the Coal Board, half the national coal output.[9] Up to now, it has been denied access to North Sea gas, a very cheap power source, to protect both the Coal Board and the Gas Council monopoly, though recently it has been trying to do the Gas Council down by negotiating direct with the companies that drill for gas in the North Sea.[10]

Again, the oil it burns in some power stations has a special fuel oil tax placed on it, to protect the coal industry; the difference that this tax makes can be seen from the fact that estimated costs per unit at Pembroke power station, which burns oil, were 0.48d before tax but 0.59d after tax.

The industry also carries the costs of rural electrification (£5-£6 million above economic cost) and a large part of the costs of nuclear research (costing the industry some £20 million in 1964); it subsidises the research and export efforts of its equipment manufacturers; and it is required to produce a substantial profit each year, from which it must pay huge interest payments to the banks, and from which it must finance a larger and larger part of its vast investments.

Profits for the Suppliers

Private industry has not only benefited from cheap electricity; the supply industry has also provided it with a marvellous captive market, particularly for heavy electrical equipment. From 1949-1958, the nationalised sector as a whole spent £12,000 million on the products of private industry, an amount equal to their total wage and salary bills.

It is difficult to obtain much information about this area, for it is carefully shrouded in 'commercial secrecy'. But one or two things are clear. First, the manufacturers are very well organised into a monopolistic set of price-fixing rings. The electricity authorities have generally aided and abetted these monopolistic arrangements. They have seen their duty as being one of 'buying British', no matter how

inefficient the suppliers might be. The North of Scotland Hydro-Electric Board 'bought Scottish', placing its orders according to the capacity of its suppliers rather than price.[11] *The Economist* remarked that the contracts for nuclear power stations were dealt out 'like a pack of cards', despite a 30% variation in tender prices. Strong trade associations prevented competition between firms supplying turbo-generators, boilers, cables, etc.

The companies did very well out of these arrangements: while the average costs of fixed assets rose by 50% over the period 1948-1959, the cost of electrical and mechanical engineering materials to the supply industry rose over the same period by 80-90%.[12] The Monopolies Commission reported that in the early 1950s the rate of profit on large electric motors and alternators was running at over 25%.

Today, after a few hectic years of takeover and merger, the market provided by the CEGB is mainly shared out between two firms: GEC-EE-AEI, the Arnold Weinstock/Lord Nelson set-up which is now the biggest private employer in Britain, and Reyrolle-Parsons. Far from breaking out of the ring of monopolies that dominated its purchasing in the 1950s, the electricity authorities have promoted their further growth. In 1967, for example, the CEGB set up an agreement with its switchgear makers (then four in number – GEC, EE, AEI and Reyrolle) guaranteeing them a 15% margin on turnover.[13] Later the same year the CEGB made a similar approach to the firms making heavy transformers, offering a comparable deal if they would cut their numbers down from six to four. They did. *The Sunday Times* commented:

> 'If the manufacturers fail to rationalise . . . the Board will reintroduce open competition. . . . But this is not the Board's preferred policy. In fact, Sir Stanley already believes that competition has forced the price of turbo-alternators too low. . . .'

An agreement, current from 1962 to 1967, between the CEGB and the heavy cable makers was condemned by the Restrictive Practices Court as 'contrary to the public interest'.[14] But less than two months after this judgement was delivered, the Industrial Reorganisation was pumping £2½ million of public money into a standby loan, to ease the way for a reduction in the number of cable manufacturers from four to two.[15] In November 1969 the British Electrical and Allied Manufacturers' Association (the employers' club) published a study by an Oxford don demanding a further extension of the price-guarantee system. *The Sunday Times* (16 November) remarked, 'this could cost the country an awful lot of money'.

When the Labour Government published proposals for allowing the CEGB to make its own equipment – as the law forbids it to do at present – there were cries of 'alarm and anger' from the big monopolies, who must have been greatly relieved to see the Tories come back and the scheme dropped.

Public Waste

The supply industry has for a long time been demanding more 'efficiency' from its employees, especially the manual and technical staff. The employers' record in this respect is, therefore, of some interest. As we shall see, their record is one of very expensive waste of public money.

One of the most famous 'mistakes' of British industry since the war concerned the Dungeness 'B' nuclear power station. When the tenders for this station were invited, the winner was a design from Atomic Power Constructions, a consortium made up of Fairey Aviation and the US firm International Combustion. APC had obtained the services of a few top boffins from the Atomic Energy Authority, and submitted a new design, for an Advanced Gas Cooled Reactor (AGR). The contract was settled in a blaze of publicity about British engineering and cheap nuclear power. The Minister of Power at that time, Fred Lee, told the Commons on 25 May 1965 that the Dungeness 'B' tender represented 'the greatest breakthrough of all time'. 'We have hit the jackpot with this', he exulted. Even *The Economist* (23 October 1965), which is normally sceptical, thought that APC had

'brought atomic generating costs, for Britain at least, triumphantly and unarguably below those of coal and of taxed, if not yet of untaxed, oil fuel'.

One of the men who sat proudly on the board of Fairey Aviation was the ex-Tory Minister of Public Works, Mr. Geoffrey Rippon.

By 1968, three years later, observers began to notice that things were not quite so rosy at Dungeness. *The Times* (10 December 1968) forecast that 'design errors' on boilers and reactors would mean losses of £10 million. In fact the boilers had to be completely re-designed, in mid-stream, when someone realised, rather late, that they would not stand up to the hot carbon dioxide swirling round inside them. The re-design job meant a two year delay.

Meanwhile, back at the site, other problems developed. The boilers were supposed to go into a pressure vessel lined with half inch mild steel. The mild steel membrane was 65 feet in diameter, and 58 feet high. The membrane was put in, and the idea was then to put in the boilers. Unfortunately, the engineers were surprised to find when they

came to weld flanges onto the steel membrane, and to drill holes in it, that the heat caused ripples on the metal. The ripples wouldn't go, and the boilers wouldn't fit. So all 65 feet by 58 feet of mild steel membrane had to be taken apart and done again in sections. Time lost: six months.

There were other small problems, like the delivery of gas circulators and transformers two years behind schedule. Sir Stanley Brown of the CEGB made no bones about whose fault it was: the Dungeness delays, he told the *Daily Express* (26 February 1969) were due to 'straightforward engineering idiocy'.

Finally the CEGB concluded that APC would never finish Dungeness 'B' and relieved them of the job. By now the estimated costs had gone up from £75 million to well over £120 million, and the completion date had receded from 1971 to 1975. The costs of the delay are considerable, for older and less efficient stations have to be used for another four years. The burden of interest charges will be greater, as the CEGB will have to pay for its capital for three more non-productive years. In addition, the chances of selling the AGR system abroad receded still further, since there is still no working station to show potential foreign buyers. Probably a vast expenditure on research and development has gone for next to nothing.

The delays at Dungeness also meant that Hinkley Point 'B' station, built to the same AGR design, will be up to a year late, since this station is now being treated as a prototype, instead of being able to draw on the Dungeness experience.[16]

So the interesting question arose: who should pay for this mess? The firms were to blame, so it seems obvious that they should stump up the missing £45 million plus. Not a bit of it. International Combustion was asked to pay £7 million, Fairey Aviation £3½ million. The total shortfall, to be found by consumers and power workers, will be at least £35 million.

When the terms were announced, Fairey shares at once picked up. No wonder: not only did Fairey get off exceptionally lightly, but 'there will be no interest on the outstanding balance until 1971, after which interest at the abnormally low rate of 2% will be payable'.[17] Indeed, *The Economist* (26 September 1970) suggested:

'If Fairey does not make a complete mess of its remaining work on the Dungeness B nuclear station, it could earn a good deal of money out of it'.

No doubt Mr. Rippon, now back in the Tory Cabinet first as Minister of Technology(!) and now as the man who is taking us into Europe, was delighted. His 1,100 shares in Fairey rose over 70 per cent in value between May and September 1970. The rest of us seem to have done less well out of the whole affair.

Construction News (11 December 1969) provided a table listing the costs and length of delays on CEGB sites:

COST OF DELAYS ON CEGB SITES

Power Station projects: excess costs and programme delays

Station	Capital Costs (est)			Delays in completion (months)				
	Original £000	Current £000	% rise	1st set	2nd set	3rd set	4th set	5th set
West Thurrock	50,057	57,600	13	25	27	9	8	9
Tilbury 'B'	49,640	67,700	36	24	24	29	35	
Ferrybridge 'C'	65,816	79,810	21	5	14	3		
West Burton	70,779	84,443	19	14	17	8	8	
Kingsnorth	75,800	100,800	33	29	27	26	27	
Ratcliffe	71,601	84,909	19	6	6	3	15	
Cottam	79,450	93,304	17	7	7	4	3	
Pembroke	78,500	96,500	23	7	3	2	2	

The figure for Ferrybridge, incidentally, includes £3.5 million lost when three of the six cooling towers collapsed in a 75 mph wind. As *The Guardian* (4 November 1965) remarked, 'a gale of wind is not an unfair test, it is a regular event'. In short, the towers were badly designed, built and sited.

'You can't blame us for our mistakes'

For the year 1968-69 alone the CEGB has put the cost of these delays at £60 million. With these massive increases in costs it is doubtful whether some stations will ever generate electricity on an economic basis.

Construction 'problems' are only one of the more spectacular difficulties that have beset the CEGB. In the years immediately after the war, the main emphasis was on replacing worn-out equipment on the level of the existing technology. Pre-war, there was only one large generator in Britain, the 100 MW set at Battersea. Till 1950, all new sets were of 30 or 60 MW. In 1950 the scale was expanded to 100 and 120 MW, but there was no new technology involved. However, in 1953-54 a step up to 200 MW was taken, along with two separate technological leaps. From then on, each new increase in scale was decided before the last had been tried in practice. In 1959, eight 350 MW sets were planned, for 1964-69. In 1961, 47 500 MW sets were planned, for 1967-72. And in 1965, the move to 600 and 650 MW sets was made.

As the heavy electrical manufacturers resolutely refuse to consider building prototypes before going ahead with major construction, it is not surprising that the Generating Board has been plagued with problems on its generating sets.

In theory, these new sets should have a much higher thermal efficiency than the old, small-scale sets, and so should be cheaper to run. But only if they are available for use. And there is the rub. *Private Eye* (24 April 1971) published a confidential CEGB document, giving details of the performance of the various power stations. Many built before 1948, which in theory should have been on the scrap heap for some years, are actually turning out high performances, remaining available for use at least 90% of the year. But the situation with the post-1948 stations is very different. Only two small stations (Cliff Quay and Uskmouth 'A') were 90% or more available for both 1968-69 and 1969-70. Moving up the scale, to stations of 100 MW or more, only two (Aberthaw 'A' and Blyth 'A') were 90% available for one year in the last nine years.

With the big sets, the situation is near-desperate. The best performance came from Fawley, with 75.3% availability in 1969-70, followed by Cottam with 68.5% – 'but both these figures were on a "part-year only" basis'. More representative were Ratcliffe (59%), West Burton (41.5%), Ferrybridge 'C' (30%) and Eggborough (23.9%). These stations had between them 18 big sets, ranging from 350 to 500 MW, in 1969-70. The cost of providing electricity from some other source when a 500 MW set is out of action is £10,000 *per set per day*.

The causes of the breakdowns of the new equipment have been numerous. In April 1969, West Burton, with four 500 MW sets, built at a cost of £80 million, had to be delayed. All four of its boilers (each costing £3 million) had cracks in them. Ten other boilers at other stations were inspected at the same time and found to be cracked. (The fault was found after boilers at Cockenzie power station, in the South of Scotland Board's province, leaked.) The cost of repairing each boiler was £100,000. The cost of each boiler's non-availability was £10,000 per day.

Then there were what the CEGB Annual Report called 'oxidisation problems' in its Magnox nuclear power stations, in September 1969. Put more simply, some bolts were found to be rusting away:

'Someone forgot to consider how these inexpensive items, made from mild steel, would react when exposed for a long time to hot carbon dioxide'.[18]

As a result, these six stations, between them providing some 3,000 MW, had to be run at lower than normal temperatures and efficiencies. Total loss of power: 700 MW.

'Foreign bodies' were found in one lot of big turbo-generators, where they had done a lot of damage. At one point, in late 1969, only one of the eight installed 500 MW sets was working. Ferrybridge 'C', with a total capacity of 1,965 MW, was totally out of action. Three years earlier Ferrybridge had two of its 500 MW sets taken off because of cracks in pipe-welds. This was around the time that 500 MW at West Burton went off because of a bent shaft and two 250 MW sets at Trawsfynnyd had to be kept below full load because of 'corrosion problems'.

Already problems are developing with the still bigger 600 and 650 MW sets now being installed. At Longannet in Scotland in June 1971 an entire £100m. station was taken out of service for 'months rather than weeks', while at the same time the CEGB was having problems with its 550 MW sets at Thorpe Marsh.[19]

The difficulties experienced can be seen from the fact that, while the thermal efficiency of the big sets is undoubtedly higher, the CEGB's *average* thermal efficiency has showed no significant rise since 1962.

The breakdowns and delays on the new nuclear stations and the big sets would have been catastrophic, resulting in massive power cuts, had the electricity bosses not also made a huge error in forecasting the demand for electricity. All through the 1950s, they underestimated demand: the forecast made in 1953 of the maximum demand to be expected in 1959-60 turned out to be 10% too low. (Forecasts must be made many years ahead, because of the time it takes to build new stations – especially if British engineering monopolies are doing it!)

As a result, there were severe power shortages at times, particularly in the winter of 1962-63. The CEGB therefore set out to remedy the situation. Unfortunately, they now bent the stick too far the other way. They grossly overestimated demand, partly under the influence of the rosy picture of the future pushed out by the National Economic Development Council and the 1965 'National Plan'. The forecast growth in demand, 1964-68, was 9%; in practice it was 5½%. The margin of spare capacity they planned for 1968 was 14%, but in practice they had 31% – and without the delays in building new plant, and had they not closed some old plant earlier than expected, the spare capacity would have been 49%![20]

Still, it's an ill wind. . . . If they hadn't overestimated demand, the delays with the new plant would have meant plant shortages of 7% by 1968-69 – a very serious situation. The over-estimates of demand were balanced by plant delays and breakdowns. Not a very economical way of running an industry, but it works after a fashion. And we pay for it.

There was a further consequence of the over-estimated demand. In 1969 all orders for new plant were cancelled, and the future programme reduced. Later, the Sizewell 'B' nuclear station was delayed for a year. The CEGB of course did its best to soften the blow for its equipment makers, but GEC and the others took the opportunity to close factories, sack thousands of workers, etc. As always, the working class paid the price.

1 John Hughes, 'Nationalised Industry Compensation and Finance – the British Experience', *International Socialist Journal*, August 1965, p. 489.
2 John Hughes, 'Relations with Private Industry', in M. Shanks (ed.), *Lessons of Public Enterprise*, 1963, p. 128.
3 Select Committee on Nationalised Industries (1968), *Ministerial Control of the Nationalised Industries*, vol. 2, p. 1.
4 White Paper, *Financial and Economic Obligations of the Nationalised Industries*, Cmnd. 1337, 1961, p. 5.
5 Arthur Palmer, M.P., House of Commons, 3 March 1971. Note, by the way, that these private generating stations get capital grants from the state, especially in development areas, while the CEGB gets none.
6 In fact, the employment effect of an aluminium smelter is very small: though very expensive, a 120,000 ton smelter employs only 600-800 people.
7 *The Economist*, 27 July 1968.
8 R. Kelf-Cohen, *Twenty Years of Nationalisation*, 1969, pp. 113-114.
9 Richard Bailey, 'The New European Energy Problem', *National Westminster Bank Quarterly Bulletin*, May 1971, p. 31.
10 One aspect of electricity pricing has been given some publicity: its competition with the gas industry. In several cases, Area Electricity Boards have bribed contractors with free electrical installation if in return they would keep gas off new housing estates. This 'competition' between public enterprises has been justified on economic grounds – but then so can bank robbery! The supply industry has always resisted ideas of sharing showrooms with the gas boards, even though this is normal in France and elsewhere.

11 John Hughes in M. Shanks, *Op. cit.*, p. 140.
12 *Ibid*, p. 144.
13 *Sunday Times*, 15 October 1967.
14 *The Times*, 21 May 1969.
15 *The Times*, 18 July 1969.
16 *Financial Times*, 27 September 1971.
17 *The Times*, 12 September 1970.
18 *The Economist*, 27 September 1969.
19 *Financial Times*, 30 June 1971.
20 National Board for Prices and Incomes Report 59, *The Bulk Supply Tariff of the Central Electricity Generating Board*, Cmnd. 3575, 1968, para. 28.

Sign up for p and p and enjoy all the facilities of one of the Board's modern thermal power stations'.

2 The Problem

The supply industry is vital. Without electricity, the economic life of the nation would collapse. This was shown very clearly in December 1970, when a simple work to rule and overtime ban by the industry's manual workers caused widespread industrial dislocation, and in Northern Ireland virtually closed down the whole of industry at a cost of £2 million a day. Potentially, the bargaining power of the industry's workers is enormous. The industry is huge and rich, and it provides the lifeblood of British capitalism. The workers who generate the vast quantities of electric power used daily are concentrated in little over 200 locations. Their labour costs amount to only 17% of the Electricity Council's total costs, and only 12% of the CEGB's – a figure that includes all the salaries in the industry. They produce a commodity that must be used within a few seconds of production, as it cannot be stored. They have a 100% trade unionism agreement with the employers. On any reckoning, they should be among the most highly paid workers in Britain, one of the leading militant forces in the British working class.

Reality, unfortunately, is very different. Earnings in the industry are below average: in October 1965, average weekly earnings of supply workers were £1.5s 6d below those all industries. By October 1970 they were £2.14s 5d less. Early in 1971, Professor Turner, a member of the Prices and Incomes Board, calculated that if one took account of price and tax rises, the supply workers suffered a *fall* in real income, from 1965 to 1969, of 0.6% a year.[21] Yet these workers do more shift-work than average, and their productivity agreements are among the worst in British industry. Why should there be this gap between potential and reality? To answer the question, we must look at the industry's recent history. From this we shall see some of the things power workers must do to change the situation.

21 H. A. Turner and Frank Wilkinson, 'Real Net Incomes and the Wage Explosion', *New Society*, 25 February 1971, Table 3, p. 210.

Early Productivity Dealing

3

First Prods

In 1961, the Government put the nationalised industries under a new framework of financial discipline. In July that year, the first reference to productivity dealing appeared in the minutes of the National Joint Industrial Council (NJIC). A wage settlement reached in November included the statement:

'early in the New Year (1962) the Council will consider the question of productivity . . . and the means of improving the status of industrial staff'.

Discussions began, but did not get very far. The employers decided, some time in 1962, to go for a three-year agreement to clear the way for the productivity negotiations.

In January 1963, agreement was reached on the 'package deal'. It gave the power workers a 2½d an hour rise in 1963, 1964 and 1965, with a 4s 6d 'productivity bonus' on top. Sir Ronald Edwards, chairman of the Electricity Council, explained the 'productivity bonus':

'(It) is currently giving the manual workers 4s 6d per week on an annual productivity improvement of between 4½ and 5 per cent. The important fact to note is that each year there has to be *another* 4½-5 per cent improvement if the 4s 6d is to be retained . . . if the annual rate of increase in productivity falls away the bonus will decline'.

All that for 4s 6d a week!

Charlie Doyle, then a leading spokesman for the shop stewards' movement, called the three-year agreement 'an abject, complete and unnecessary capitulation'. The ETU, which had opposed the agreement, promptly turned round to discipline its own militants. On 30 March 1963 Charlie Doyle was expelled for refusing to break off

relations with the unofficial combine committee or its paper, *Power Worker*. The three-year package deal was important for the employers: it gave them time to begin behind-the-scenes talks with union leaders on 'staff status', and it enabled them to control wages. Paragraph (f) of the agreement stated:

'. . . subject to the outcome of the discussions now proceeding on the question of status, no revision is to be made to schedule wage rates during the period of this agreement'.

'Staff Status'

In October 1963, the unions announced that talks had been going on with the bosses behind closed doors for six months, but nothing had been achieved. As the membership were getting restless, they decided to reopen negotiations. The ETU suggested to the other unions that they scrap the package deal, as the 'staff status' talks were going nowhere, and boycotted further talks on 8 November. The other unions went in without them – only to learn that the employers weren't ready to meet their demands. In particular, though the talks were over 'staff status', the bosses were not ready to give the same fringe benefits to manual as to clerical workers! The union, were inhibited by the three-year package from asking for more pay, so they demanded a 40-hour week, an extra week's holiday, more long-service increments and better money for craftsmen and mates. They declared they would not discuss 'staff status' till the claim, worth 7%, was answered.

Meanwhile *Power Worker* published a 'strictly confidential' document which made clear what the employers wanted from 'staff status':

'Proposals to enhance the status of N.J.I.C. staff by paying them an annual salary for 42 hours impose on the staff concerned certain obligations to act responsibly. One of these obligations is to accept the normal give-and-take of working arrangements, which is intended to ensure that the work in hand is completed without too rigid adherence to finishing time'.

In detail, this meant the abandonment of overtime, accepting work study, lowering craft demarcations, greater labour mobility and cutting out craftsmen's mates. In short, speed-up and redundancy. The employers wanted a 'productivity deal', tarted up as 'staff status'.

The fact that *Power Worker* continued to print comment and information on the negotiations annoyed the unions. The ETU continued to harry its militants. Charlie Doyle was only reinstated in the union after giving assurances of good behaviour. Three other

workers were sent letters demanding that they give similar assurances.

It was fear of the impact of the unofficial movement which finally goaded the unions to move, hesitantly, towards a brief period of official action. All talk on 'staff status' came to a stop on 16 January 1964, when the employers finally rejected the union's demands as 'inconsistent with the three-year agreement'. The AEU and ETU were agreed on action while the GMWU, true to form, opposed it. The supposedly 'left' TGWU dithered, and was only won to support for official action in March. The GMWU were still opposed, but agreed to honour the majority decision. Thus, with their disunity publicised and their enthusiasm near freezing point, the unions 'stumbled' to action.

Apart from a couple of ritual appeals from the employers and the Tory Minister of Labour, the unions still had one final hurdle to clear before going to battle: the Labour Party leadership. According to newspaper reports, William Tudor, chairman of the union side, was summoned to the House of Common by Harold Wilson, Jim Callaghan and George Brown. The Labour leaders were, characteristically, less concerned with the justice of the power workers' case than with the forthcoming General Election – power cuts might alienate potential Labour voters. Afterwards, while union leaders told the press about the meeting, Wilson and the rest were denying it ever happened. Mr. Tudor declared loyally, 'If Transport House deny it, they must be right. I never disagree with Transport House'. A week later the TUC was to play quite as valiant a role in defending the power workers' interests: *The Times* reported during the work-to-rule (25 March):

'. . . much of the time at the TUC meeting . . . was taken up with Mr. Tudor and his fellow leaders trying to impress members of the inner cabinet with their case. Documents were produced, but the union leaders were told that the TUC, if it were to intervene, could not possibly take sides and therefore was not interested in hearing the history of the unions' point of view'.

The work to rule caused no large power cuts or voltage reductions. Its initial impact was quite small. At a number of stations there were walk-outs when technicians did NJIC staff work. The men's militancy only began to make itself felt on the second Tuesday, for with a breathtaking sense of timing the unions had managed to organise the dispute to coincide with the Easter holiday, and that Tuesday after Easter was the day the unions called it off. They did so as rank-and-file militancy began to express itself clearly in local action. A stoppage at Bold station, St. Helens, threatened to spread to

Clarence Dock on Merseyside. There were walkouts in Norwich and South Wales.

The unions' haste to call the action off was positively indecent. As soon as they were offered a Court of Inquiry they surrendered, with only three votes against.

The unions put out a statement to their members thanking them for their general 'restraint' and 'loyalty' and hoping they would remain loyal now. Luckily for the union leaderships, the London shop stewards advised publicly that the official line should be upheld. In retrospect, this 'statesmanship' on the stewards' part was hardly justified, for the agreement that followed the court of inquiry was far from a trade-union victory.

On 15 May 1964, the Court of Inquiry published one of the most boring Reports ever. The only matter of interest is the union attitude to 'staff status': the unions nowhere even questioned the *principle* of the employers' proposals, restricting themselves to objections on the size of the *cash* compensation.[22] As long as the price was right, the unions had no objections at all. The Report praised the 'grand design' of the 'status' scheme, which it called 'admirable and imaginative in conception'. Both sides, it recommended, should get together as soon as possible to work out the details, and bring in the scheme in stages.

Shortly afterwards Stage One was settled, for introduction in July 1964. All employees went on to annual salary. 'Cooperation payments' of £30 (labourers) to £80 (craft grades) were given, the sick pay scheme was improved, and craft workers got slightly larger differentials. In return, the unions committed themselves to a 'Joint Statement on Employee Cooperation' which promised:

'cooperation with management to improve job efficiency and service to the consumer by: (1) the elimination of overtime working wherever possible; (2) the best possible utilisation of the number of men and man-hours to complete any particular job; (3) the acceptance of practices which improved individual and collective efficiency'.

Though this seems rather vague, it represented a major concession by the unions. Apart from two small riders, preventing temporary upgrading of unskilled workers and maintaining the 'principle of the rate for the job', the unions agreed there should be 'no restrictions . . . on the form or the extent of this cooperation between employees and management'. The head of the Electricity Council's industrial relations section, Roberts, wrote of this Joint Statement:

'It provided the framework within which a new set of industrial relationships and practices were to be worked out in the future and defined some of the conditions for improved labour productivity. It is in fact a statement which contains far more substance than might appear from a cursory reading . . .

the real question which it raises is not whether it is substantial and precise enough but whether the means are available for its effective application'.[23]

The unions had gained very little. Annual salary payments made very little difference to the power worker. Sick pay was somewhat improved and small money rises had been conceded. For this, the employers had won a notable victory, the 'Joint Statement on Employee Cooperation'. This was a major opening wedge for the power bosses in their campaign to squeeze the workers.

After more talks, Stage Two was agreed in November 1964. This Stage was much more explicit and detailed. There were a number of clauses:

(1) Up to one hour a week's overtime would be compulsory, and an annual payment would be made for this, whether the overtime was used or not.

(2) Shift allowances were raised.

(3) A series of 'staggers' was brought in, for shift- and day-workers, for inside and outside working, of three basic types:

(a) staggered day working – a worker could be asked to do any five days out of either six or seven in the week. For this 'round the week' working he got a 'stagger enhancement' plus premium pay for weekend working.

(b) staggered hours for day-workers – a day-worker could be asked to work his hours any time between 6 a.m. and 8 p.m. any day of the week, so long as he was given seven days' notice. For this he got 'disturbance' pay.

(c) Winter-Summer stagger – an outside worker must learn to calculate his hours on an *annual* basis and work longer summer hours in exchange for shorter winter hours. So the '40-hour week' could mean 43 hours in June, 37 in December. Again the 'stagger' was compensated.

(4) Workers were granted small transitional payments to reduce the difficulties involved in ending overtime.

(5) Basic holidays were unchanged, and overtime rates were still to be calculated on the old basis.

Stage Two, while it certainly did not give power workers staff conditions, was an important step in the employers' drive to subordinate the power workers to the demands of their expensive machinery. Shortly after the agreement was signed, 200 maintenance engineers at Castle Donington station, near Derby, struck against the management's method of manning the station. They were rapidly told that the management were merely acting in line with Stage Two. . . . At other places, too, there was considerable unrest, 'often expressed

You can't fake status but you can go broke in search of it . . .

against the unions as much as against management' according to the Electricity Council. However, the employers stated early in 1966,

'. . . these transitional difficulties are now passing . . . for this much credit must be given to the district officers of the unions who took a long and constructive view of the problems and acted accordingly.'[23a]

Needless to say, the union officials who signed the agreement were not subject to the conditions they had accepted for their members.

In September 1965 Stage Three was agreed. Service increments were slightly improved. More important, power station maintenance workers could now be asked to work away from their home stations when this was desirable 'in the interests of the job'.

The effects of the Status agreements were rapidly felt. First to be affected was overtime, which had long been an employers' sore point: from April 1964 to April 1966, average hours in the entire industry fell from 49.4 to 41.5 a week, a fall of 16.0%. In the CEGB, the fall was 23.0%, from an average of 50.8 to 39.1 hours a week.[24] Over the same period average hours in the rest of industry fell by less than 2.9%. From being a heavy-overtime industry, electricity supply fell suddenly to almost the bottom of the Ministry of Labour's list. The huge cut in hours was not achieved by an expansion of the work-force. The increase in employment over this period is accounted for by the great expansion in capacity.[25] Clearly the power workers were having to sweat more, or, as the employers put it, 'cooperation improved'. This 'cooperation' was achieved through the breakdown of many demarcations, a sharp rise in shift working and extensive use of 'staggers'. From 1964 to 1966, the proportion working shifts rose 14½%, till by April 1966 half the CEGB's workers were on shifts, 80% of them on continuous three-shift working. In the Area Boards, over a quarter, and in the CEGB over 90%, of workers went on to 'staggers'.

Yet, after all this, the power workers dropped further behind in the pay race. Average *hourly* earnings, it is true, rose most impressively, by 31½% in two years. But in terms of the *weekly* pay packet, the story was quite different: supply earnings rose by 11.5%, while in 'all industries' they rose 14.9% and in 'manufacturing' by 15.1%. Thus, all the talk about 'compensating' power workers for the loss of overtime was plain guff.

The Prices and Incomes Board, reviewing the agreements, concluded that the electricity bosses had got themselves a real bargain, for *without* the status agreements they would still have had to meet pay claims.[26] It is not going too far to say that the power workers gave up their working conditions for no real material benefit.

The employers were most delighted with the whole affair, and at once began pressing for more concessions.

22 See the evidence of Bro. Tudor, paras. 65, 82, 84; Bro. Cannon, paga. 78; management evidence, para. 125.
23 R. D. V. Roberts, 'The Status Agreement for Industrial Staff in Electricity Supply', *British Journal of Industrial Relations*, 1967, p. 61.
23A Electricity Council, *Evidence* to the Donovan Commission, p. 774.
24 R. D. V. Roberts, *Op. cit.*, Table 2, p. 56.
25 In the ten years ending March 1964, the average annual manpower rise was 1.5%. From 1964 to 1966, the rise was 4.0%, nearly all on the generating side. But this rise is accounted for by the expansion of capacity: 1955-64 the average annual addition of capacity was 1730 MW, but 1964-66 it was 2780 MW. In distribution, despite an average fall in hours worked over 12%, and an expansion of 6.7% in electricity sales, the rate of growth of the labour force was actually lower than the previous 10-year average. (Figures computed from Electricity Council, *Annual Reports*).
26 National Board for Prices and Incomes, Report 36, *Productivity Agreements*, Cmnd. 3311, 1967, para. 180.

'I am the ghost of agreements past'

Towards Work Study

4

In February 1966, unions and employers reached a new one-year agreement. Together with minor changes in shift allowances, the settlement gave supply workers a 3½% rise. Clause 7 of the agreement struck a new and ominous note:

'. . . in furtherance of the aims of the Cooperation Agreement the NJIC supports the use of work study and all other relevant techniques. The practicability of subsequent measures to achieve standards of performance and employee sharing of any benefits from improved labour productivity resulting from work measurement will be the subject of discussion and approval in the NJIC'.

As the Prices and Incomes noted, this was 'radically new'. Till now, the unions had opposed work study, now it seemed they were ready to accept it *everywhere*. The 1964 'Cooperation Agreement' was proving to be the thin end of a very long wedge.

The following January, 1967, the unions put in a new claim for a pay rise 'coupled with productivity and work study'. They invited the bosses 'as part of a comprehensive settlement, to look more favourably at the question of incentives'. Note that the unions themselves *asked* for work study. *They* initiated the talks that have led to wholesale cuts in the work force!

The unions' claim was based on three grounds: low pay, the cost of living and productivity. Certainly the pay situation had gone from bad to worse. From 1964 to 1967, supply workers' earnings had risen by 11.9%, while the 'all industries average' had shown a rise of 16.8%.[27] The supply workers were slipping still further behind the rest of the working class.

But the employers weren't impressed. *Hourly* earnings, they said, were better than average. This, of course, was nonsense, for the

power workers themselves had paid for the shorter hours with greatly worsened conditions, and their earnings included a growing component of shift and 'stagger' allowances.

The unions' second case was the 4% rise in the cost of living. Again, neither employers nor Government accepted this, saying 'incomes policy' could not take account of the cost of living. But the unions made no fight on this. They themselves believed in 'incomes policy', and they caved in. On the cross of their belief in 'incomes policy' they let the bosses crucify the supply workers.

As for the third part of their claim, 'productivity', the unions put up a most sophisticated case: they showed that from 1946 to 1964 the ratio between profits and total hours worked had risen 40%, and the ratio between total electricity sold and hours worked had gone up 24.8%. But the employers' reply was equally sophisticated, pointing out that the union figures made no distinction between supply workers' effort and employers' investment.

Negotiations dragged on for several months. In June the unions complained . . . about the progress of work study. They stated that 'they favoured local incentive or measured day work schemes being introduced as soon as these had been evolved and approved. In addition, they expressed disappointment that Boards' members had not come forward with a coherent scheme for the short term'.[28]

Finally the dispute went to the Prices and Incomes Board, whose recommendations were accepted. There was a rise of 4½% in schedule salaries, worth 3.7% in cash terms. The employers were told to prepare a list of 'the best practices obtaining in the industry' and get them adopted everywhere quickly.

The Prices and Incomes Board went out of their way to praise the South of Scotland Board, whose management had developed a set of 'yardsticks' for measuring productivity in distribution, and urged that these 'yardsticks' be more widely used. For between the summers of 1966 and 1967, productivity in the South of Scotland had risen 10% and *manpower had fallen 8.6%*, without any rise in overtime.

The loss of jobs in Scotland had resulted from work study. In the industry as a whole, there had been a small loss of 1,745 jobs (1.2%) in the first six months of 1967, despite 'an appreciable addition of generating capacity'.[29] And the South of Scotland Board aimed to cut jobs by a further 8% by March 1968.[30] All this the unions *knew*, yet they were demanding an extension of work study! The unions *knew* they were asking for redundancy through work study, yet they still forged ahead.

The September 1967 Pay and Productivity Agreement resembled the 1964 'Joint Statement on Employee Cooperation': it was very

general in its terms, and left the details to be filled in later. Again, it was the thin end of a very long wedge, which the employers are still hammering in. In 1967, as in 1964, the employers won the right, *in principle,* to do what they liked.

The crucial parts of the 1967 agreement are Clauses 202, 204 and 210.[31] These prepare the ground for the wholesale cut in jobs we have seen since 1967. Clause 202 reads:

'. . . the Trade Unions agree that it is the responsibility of management . . . to make any changes Boards think necessary in the organisation, the methods, the supervision, the materials and the equipment required to carry out work, and to apply the results of using work study and other techniques'.

Along with that blank cheque on working conditions went an agreement that the employers should cash it as soon as possible:

'. . . in the interests of the most effective use of manpower the Trade Unions agree to the quickest possible adoption throughout the industry of the best practices as recorded in the register; the process of spreading these practices throughout the industry should be well under way by the end of 1967, so that this can make an effective contribution to higher productivity in the short term'.

And Section 2, Clause 210, drives the final nail into the power workers' coffin, for there it is agreed that:

'. . . the Electricity Council will, in consultation with the Electricity Boards . . . do all that it can to accelerate the use of work study and the extension of soundly devised incentive or productivity payments additional to the schedule salaries, as rapidly and consistently as possible, consistent with a proper manpower policy'.

What were these 'soundly devised schemes' to be? What, in practice, would 'work study' mean? These details were left to a further agreement, in March 1968. This agreement deals with the detailed application of work study. Its text is not included in the NJIC book of agreements published in April 1968, and to this day many workers in the industry are unaware of its contents.[32]

The 1968 agreement set out the principles on which local 'incentive' schemes, based on work study, were to be introduced. After the successes scored in the South of Scotland, the main emphasis was at first placed on the distribution side of the industry. Only later did the employers begin to bring pay and productivity schemes into power stations and transmission districts. Even then, they moved very carefully, first gaining a few toeholds in the Midlands Region of the CEGB, and then working at selected sites in the other Regions. The different speeds at which the schemes were introduced are reflected in the differing rates of fall in the industry's labour

force. In 1969-70 the Area Boards, on the distribution side, lost 9.4% of their manual workers, while the CEGB lost 4.1%; the figures for apprentices were 19.1% for the Area Boards, and 14.6% for the CEGB.[33]

There were two main reasons for this slowness in bringing the schemes in. First, workers and their stewards resisted, even if patchily. (Their resistance got little support from the unions: the various DJIC minutes record several instances of workers refusing to cooperate in the introduction of work study and the entire DJIC, union officials included, voting *unanimously* to instruct the workers to obey the national agreements.) Secondly, the bosses themselves were in no hurry. Many work-study schemes in industry have contained many loopholes for enterprising shop stewards to open up. The Electricity Council, on the Prices and Incomes Board's advice, tried to minimise this by powerful centralised control. They set up a register of 'best labour practices' and 'productivity yardsticks', and used these to compare performance in different parts of the industry. Each local scheme had to be approved centrally before being operated, to prevent local pressure on the work-study men 'distorting' the schemes.

If this meant an initially slow introduction of productivity schemes, the management did not mind too much. They plan ahead for up to ten years, and a slow start even had advantages for them. They could pick their starting points very carefully, choosing the least militant sites where combine committees were non-existent and stewards were weaker than elsewhere. Here they could test the schemes out, and then use the weaker sites as levers to force the more militant to accept.

So, on the principle of 'Softlee-Softlee-Catchee-Monkey' they slowly spread the early pay and productivity schemes about the country. By late 1970 they were ready to speed the process up. This readiness coincided with a new pay claim submitted by the unions.

27 National Board for Prices and Incomes, Report 42, *Pay of Electricity Supply Workers,* Cmnd. 3402, 1967, Appendix D, p. 29.
28 *Ibid.,* para. 34.
29 *Ibid.,* p. 17, fn.
30 *Ibid.,* Appendix H, p. 36.
31 Clause numbers from the April 1968 edition of the NJIC Agreements.
32 Its text can be found in National Board for Prices and Incomes, Report 79, Cmnd. 3786, 1968.
33 Calculated from Electricity Council, *Annual Report and Accounts, 1969-1970,* Appendix X, pp. 162-3. Note that the Area Board *increased* their managerial staffs by 3.6%.

The 1970 Pay Claim

5

In 1969 and 1970 the scale of pay claims began to rise. What with rising prices, increasing taxation and the need to catch up what had been lost during the period of the 'pay freeze', millions of British workers demonstrated a militancy which surprised their unions no less than the employers. Most important of all, low-paid workers in a number of industries took militant action in a way they had never before done. In 1969 the supply workers themselves took part in this movement, when they won a 10% pay rise against a background of unofficial activity in a number of stations.

In 1970 they came back for another bite at the cherry. At various unofficial meetings up and down the country in the summer of 1970, the demand came from the rank and file for a pay rise of £10 a week, without strings. At the same time, the newly elected Tory Government was preparing its anti-union legislation, and trying to find some way to stem the mounting tide of strikes and pay claims. It was against this background that the unions submitted their pay claim in the autumn of 1970.

The unions put in a claim in the early autumn for a substantial rise in salaries, a review of differentials for craftsmen, larger shift allowances, three days' extra holiday, a shorter working week and more pay for apprentices. They wanted more than the 10% won in 1969. They pointed to the growth of productivity since 1964, arguing that the employers had got this on the cheap, arguing in addition on the basis of the large pay rises in other industries, the sharp rise in the cost of living, and lastly the effects of the Tory October 'mini-budget'.

Meanwhile, at rank and file unofficial conferences, the demand for a £10 rise without strings was raised.

In November, the unions put a money figure to their demands. They asked for £5 16s. The employers, needless to say, were not having any of this. Their offer was 35s, and nothing extra in holidays, allowances or skilled rates. The unions replied that unless the employers came up with something a lot better, there would be an official work to rule and ban on overtime in December.

In the meantime, the Tory Government was making preparations. During the December work to rule the *Financial Times*' political editor reported:

'Whatever Ministers may virtuously proclaim in the midst of the crisis, any political correspondent will confirm that the Government has been anticipating this confrontation with the electricity workers with something not far from gusto for many weeks. . . . What happened was that as Ministers looked down the list of big pay claims coming up, they saw that the electricians' was the first – and perhaps the last – case on which they had a fair chance of holding the line'.

The Government reasoned that the power workers would hurt the public, and so be unpopular, while they were less likely than the dustmen or postmen to win sympathy because they were out of the public eye while working. The same paper reported (4th December) that

'Senior Ministers are using their influence to make sure that the final settlement is certainly no larger than the miners' 12 per cent'.

At the NJIC meeting on 2 December, the employers raised their offer to £2 a week, plus one extra day's holiday. The unions turned them down, and stated that they were going ahead with the work to rule and overtime ban. An employer request for compulsory arbitration was rejected. The work to rule was on, from the following Monday morning.

The *Financial Times* reported Tory Ministers as 'puzzled but relieved' that the unions had rejected arbitration. The Scamp arbitration award to the local authority workers had greatly upset the Tories, and besides:

'Arbitrators traditionally take account of the general level of pay settlements at a particular time, and if the electricians were to get anything approaching the 15 to 20 per cent gained by the dustmen, this would be highly inflationary. It would set a pattern for the gas and water workers, who also have claims in at the moment'.[34]

And in the New Year the postal workers would be putting in a big pay claim too. What the Government would like, the paper suggested, was a Court of Inquiry. . . .

Over the weekend, the Chancellor of the Exchequer, Anthony Barber, issued a declaration of war on the supply unions:

'The Unions are entitled to know where we stand, so let me give this warning. We shall take whatever steps are open to us to safeguard the supply of electricity. But if the supply is interrupted or cut off, the unions are deceiving themselves if they think that the consequences will drive the Government to connive at an unjustifiable settlement. . . . The British people must be under no illusion as to what this means. If it means standing up to strikes, then in the general interest both the Government and the nation must be prepared to face them'.

The unions had accepted the Tories' challenge to battle, though not necessarily with much enthusiasm. As in 1964, the decision to lead official action was taken with one eye to the danger of an 'unofficial' takeover, as the employers' press reported:

'(The unions) are aware that unless they take a firm line there is a danger of the initiative being taken by militants in the industry, who are pressing for a £10 increase. This danger is underlined by recent decisions in some power stations to start unofficial action before next Wednesday's deadline. Some are already working to rule at two power stations in the London area – Tilbury and Brunswick Wharf – and at about six in the North East'.[35]

In January 1971, at the Court of Inquiry, Frank Chapple stated that one reason for refusing arbitration was that 'it would undoubtedly had led to strikes and loss of all control over our members in the industry' – and if there is one thing that union leaders can't bear, it is 'loss of control'.

34 *Financial Times*, 4 December 1970.
35 *Ibid*, 2 December 1970.

6 'Holding the Nation to Ransom'

The effects of the work to rule were felt immediately, indeed, in some areas even before it had officially started. 'The worst power cuts since the fuel crisis of 1947', declared the *Financial Times*, which listed firms and industries across the country which were hit by power cuts. On the second day, peak-period power cuts totalled 31%. All through the week the effects of the supply workers' action were brought home to the entire population, as lights went out, machines stopped and factories closed. In Northern Ireland, a State of Emergency was declared, and most major industries closed, for the Government feared a blackout in the strife-torn streets of its towns and cities even more than it feared stopping industry's supplies.

For the first time in six years, the power unions were authorising official action. Sir Stanley Brown of the CEGB complained on the BBC's 'World at One' programme on Tuesday 8 December that 'the men are working to their own rules and not ours'.

According to the letter of the agreements, the employers protested, the 'flexible work practices' ought to have been kept, but in practice they were not. In addition, of course, as in all industries, there is under normal circumstances a certain degree of 'give and take' between management and workers. In the work to rule, all this ended. At one of the largest distribution depots in the country, for instance, there are some 200 vehicles but only *one* designated 'driver'. During the work to rule, only that one driver was allowed in a vehicle, and the rest of the fleet stayed put. This was not organised nationally, but by the local stewards. Obviously, its effects were quite profound!

In practice, of course, decisions had to be made locally. If every question had been referred to union HQ, nothing would ever have been decided. And locally, the action was made as effective as could be imagined. For the first time in their working lives, often, men in the industry achieved a sense of their own collective power and dignity. For one brief week, they experienced a sense of the ultimate possibility of control of the industry by the working class. It was an uneasy awareness that this was happening which more than anything enraged the employers and their allies. The servants were getting out of hand. . . . Certainly, some of the seeds sown during the work to rule will come to fruition one day in a way which will astonish

The public co-operate to beat the greedy power workers.

and terrify the present bosses in the industry, their allies in Government, and the trade union leaders too.

Mind, it's an ill wind which blows no one any good. The *Financial Times* (10 December 1970) reported:

'The City, with its traditional nose for a fast buck, has not been slow to take advantage of the power cuts. Two money brokers went down to Borough High Street yesterday and bought two dozen candles for the already exorbitant sum of £1. They promptly re-sold them to a bank for 30s. The bank then re-sold them, and when last heard of, the candles were changing hands at over £2'.

And while the City was making money like ticket-touts at Wembley BP, the giant oil company, were flogging off 15,000 red 8-inch candles they had left over from an unsuccessful Christmas sales campaign two years before.

All during the work to rule the unions, carried on negotiations with the employers. The first Monday and Tuesday, national union officials and employers' representatives went to see the DEP. On Thursday Vic Feather of the TUC met the unions, who told him they would call the action off if more money was offered. The DEP sponsored informal talks between the two sides on the Friday, but nothing was achieved. On Saturday the Government announced that it would declare a State of Emergency. On the Sunday, the unions, who had only three days' previously stated that they must have a better offer before calling off the work to rule, joined with management in asking Robert Carr of the DEP to organise a Court of Inquiry into the dispute. This, as we have seen, was what the Government had wanted all along. Carr agreed, though he insisted that the Court's terms of reference must include an investigation of the 'national interest'. The unions formally protested at this, won a meaningless change of wording, and called off the work to rule on Monday, 14 December. Frank Chapple of the EETU-PTU called the end of the work to rule 'an act of good faith with the nation'.

In no sense could the men's solidarity be said to be crumbling. The work to rule was as solid as ever, indeed was still developing in the power stations and the local depots. If anything, the last day of the work to rule was the most effective in stopping sections of British industry. Indeed, at a number of power stations men were so disgusted by their leaders' climb-down that they continued the work to rule for several more days.

What frightened the union leaders into acceptance of the Government's terms, if it was not a case of their own ranks crumbling?

Basically, there were two inter-related factors.

Firstly, although the impact of the power workers' action was considerable, its effects were nonetheless exaggerated to some degree, by the actions of the electricity bosses themselves. In 1964, the work to rule led to some voltage reductions but very few power cuts though the average level of overtime was over six hours, and there was much less spare capacity than in 1970. Yet in 1970 the work to rule and overtime ban were very much more effective with 31% power cuts at peak periods. Was it just that militancy and organisation were at a much higher level in 1970 than in 1964, or were the employers and Government themselves taking a hand in the power game?

As we have already seen, the industry's use of its enormously expensive machinery is very wasteful, because of the many breakdowns. During December 1970, another nightmare was haunting the electricity bosses: a coal shortage. On the one hand, the industry has been forced by the Government to burn more coal than it wanted. On the other hand the Coal Board has been shutting pits and sacking miners so fast that the miners' strike caused serious shortages. For the first time for many years, Britain was *importing* coal, and the CEGB was buying coal abroad. One electricity executive from the South East stated:

'I'm really worried. I've been all over the continent looking for coal, and the only stuff we can find is lower grade'.

Coal stocks, said a CEGB spokesman, were 'going down every bloody day'. The *Financial Times* (1 December) reported that power station coal stocks were down to just over 11 million tons, enough for less than six winter weeks. And the same paper (15 December) cited a CEGB spokesman:

'We have been losing about 500 megawatts of output because of difficulties in handling and burning wet and inferior quality coal'.

So worried were the employers about the coal shortage that they stopped advertising storage radiators on 1 December and stopped a Christmas gift campaign on the 6th. Both decisions were taken in early November.[36]

In addition, from the end of October 1970 the cross-channel cable from France to England was damaged and put out of action. This cable is intended to give both Britain and France a reserve of power in an emergency, though in fact the traffic along it goes almost one way – to Britain:[37]

	To France	*To Britain*
	millions of units	
1967/68	5	291
1968/69	2	761
1969/70	2	597

Even so, despite the inefficient plant, the coal shortages and the broken channel cable, the effects of the work to rule were still highly dramatic. Soon after the work to rule began, both the industrial workers and the technicians (who weren't working to rule, but if anything doing excessive overtime) began to notice that the Electricity Council's response to the emergency was 'less than drastic'.

First, load-shedding schedules were not distributed. Yet in the past power shortages have been dealt with by load-shedding organised according to national schedules. When schedules did finally appear, towards the end of the first week, the worst effects of the work to rule disappeared, even though the men were if anything better organised than earlier in the week.

Second, and much more seriously, the networks were not split. In power cuts, emergency services to hospitals and so forth can be maintained if the supply networks are re-organised, or 'split', in advance. This was done from the start in 1964. But in December 1970, despite 'suggestions and even pleas' from the power engineers, the networks were not split until late in the week. The unions had stated in advance that they would not hinder network splitting. After all, despite the lies of press, radio and TV, the power workers' aim was never to hurt the old and sick. Indeed, the unions offered management a scheme for rapid handling of emergencies, but after the first morning it was never used.[38]

Third, despite the 'emergency' the CEGB did not use all its generating resources. At various power stations round the country, there are gas turbines which can be used to supplement the overall supply of electricity during periods of peak demand. The CEGB did not use a number of these even in the worst blackouts, but 'saved' them for the cold weeks which might be coming in January. For the CEGB, the work to rule was not an 'emergency'.

An indication of the management's attitude to the dispute can be seen from the following evidence to the Wilberforce Court of Inquiry. Mr. Edwin Peel, chief engineer of the South Eastern Electricity Board, answered union charges about the Boards' failure to maintain supplies to hospitals, while a cement works was kept supplied. He remarked, with amazing cynicism:

'At the cement works, expensive cement kilns would be totally destroyed if supplies were not continued. Hospitals, too, could have been supplied – if somebody pays the bill'.[39]

All in all, it seems that the effects of the work to rule were magnified by the employers. The effects were obvious: an unnecessary series of blackouts, failure to preserve hospital supplies at all times and so forth. Very few people outside the industry would know enough to realise what was going on, the power workers would be blamed for the employers' lack of action, and a general atmosphere of public hysteria could be whipped up with the aid of the press, TV and radio.

The policy was very successful. For the ruling class was faced by a dilemma, analysed in an editorial in the *Financial Times* (9 December). The power workers were losing little or no money through their action, so they could go on for a very long time. True, the Government might provoke a strike, if it chose to, and call in the troops, but troops would not be very effective. Besides, the soldiers would have to work with members of the EPEA, the technicians, who themselves were threatening a work to rule from the following Monday. Again, the 1919 Electricity Act could, in theory, be invoked, but it would probably not succeed if past history was any guide.

'. . . There is no point in brushing aside the fact that the electricity workers are in a very strong position and that an appeal to public opinion and their own sense of responsibility is the best means of ensuring that they make reasonable use of it'.

On the opposite page, Joe Rogaly spelled this out:

'. . . what has to be weighed at this point is the force of public opinion. . . . The greater the inconvenience suffered by the public, the greater the pressure will be. . . . There comes a point when nobody likes to be unpopular, and this point may well come for electricity workers too'.

The same day a Tory minister, Sir John Eden, made what the same paper called 'one of the strongest attacks yet by a Minister':

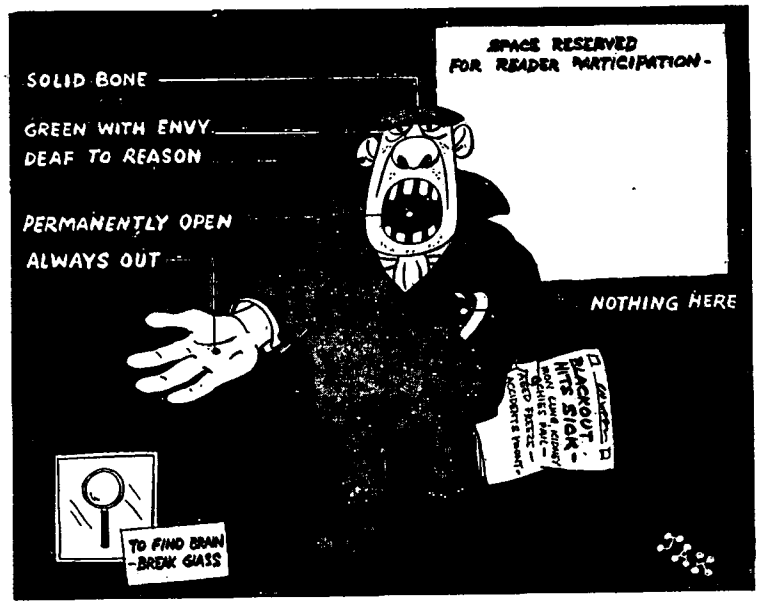
'Nothing, absolutely nothing, can justify the widespread disruption which this has caused. I cannot believe that the men themselves ever meant to carry this so far as to jeopardise human life'.

The same day, stories began to appear in the press about threats to hospitals: only two out of 127 hospitals in the South West Metropolitan area were unaffected by power cuts or reductions; operations were stopped in a number of hospitals, etc. That evening's edition of the *Evening Standard* and a sister paper in Glasgow were stopped by print-workers who objected to a vicious cartoon by Jak attacking the power workers. At the same time, not one newspaper asked why

the networks had not been split: they all presented everything as being the power workers' fault.

The *Financial Times* returned to its earlier theme and spelt out a strategy for the powers that be. There must be no giving in:

'. . . the only thing the Government can do is call for the support of the general public. . . . The first necessary action is for the Prime Minister to assume leadership of the public by coming forward to explain, as simply and precisely as possible, just why it is essential that this battle against industrial irresponsibility should be fought and won'.



'JAK'S infamous anti-union cartoon, from the Evening Standard'

The fruits of the policy began to be felt. The General Secretary of the EPEA, Harry Norton, called off the technicians' work to rule two days before it was due to start, with the immortal and far-sighted remark, 'This is an act of faith on our part which may turn out to be very foolish'. The nation, he declared, 'has suffered enough'.

At the same time, the tempo of 'public opinion' was being whipped up. The General Secretary of NALGO, which organises clerical workers in the industry, reported that his members in showrooms and on switchboards were being subjected to general abuse. One or two had paint tipped on them, and their car tyres slashed.

The first Wednesday the *Mirror* (of the popular papers perhaps the least biassed) ran an editorial in its sickening 'fair's fair' style:

'The power cut crisis is a tragedy which has no villains. Only victims. The victims are the sick in hospitals and homes. Doctors are saying that power cuts can kill.
The victims are the old people shivering in all-electric flats and council houses. Doctors are warning . . . (etc., etc.).
But this does not mean that the power workers are heartless villains because they are working to rule. . . . The electricians themselves are victims of a tormenting situation. They have a sense of public duty as well as a pay grievance. They are victims as well as trade unionists'.

On the middle pages was a big photo of an old age pensioner with an electric fire. A story accompanying the picture quoted a Bristol doctor who had had to work by torchlight (in a private hospital) to save a woman's life: 'This patient is still critically ill. If she dies, I consider that the people responsible for the blackout will bear a measure of responsibility'. Meanwhile, we were told, the Royal Family were 'managing as best they can by candlelight'.

The *Daily Express* front-paged a picture of a girl with a kidney machine. Its stories included an ice-cream van whose generator ran an iron lung, the Queen having tea by candlelight, and a Wilmslow garage owner who refused to serve petrol to ETU members.

The *Daily Mail,* generally the most vicious against the power workers, found a story the rest missed. A little girl at the National Heart Hospital was 'seriously ill last night' after a power failure during an operation. In the same paper, a Manchester widow died of smoke, to a comment from the police that perhaps she forgot to switch off her electric blanket during a power cut, so it began to smoulder when the power came on again. The *Mail* never asked which company made this dangerous blanket. . . .

As the week went on, the press sought out more horror cases. The *Mail* on Thursday wrote of 'The Power Maniacs' in an inflammatory editorial:

'. . . why the hell should Britain always have to take it? Isn't it about time we started dishing it out – and reminding the power maniacs of their responsibility to the community?. . . . The question for the power workers is: Do

they want to be respected as public servants? Or would they rather be regarded as Public Enemy No. 1?'.

By Friday, the press was going mad. The *Mirror* found a boy who accidentally hanged himself, perhaps because it was dark. Every paper played up a farmer who sprayed manure on a switching station near Crewe. The stories of power workers and engineers being threatened and assaulted were increasing in number. Doctors and dentists were knocking power workers off their lists all over the place, publicans and shop-keepers would not serve them, a power-workers' social event was given a bomb-scare, etc. There were abusive phone calls by the hundred, bomb threats and kidnap threats. Saturday brought reports of bricks through windows, paint splashings, tyre slashing, and a Norweb fitter beaten up in the street in broad daylight.

A Department of Health 'adviser on nutrition' was cited as saying that 10,000 old people could die of cold if the cuts continued. None of these papers asked if the old people could afford the electricity anyway, or why old people died of cold every winter without power cuts. . . .

But not to worry, the Royal Family was provided for. Two generators were sent to Windsor Castle from Burtonwood near Warrington 'in case of failure in the central heating'. No doctor spoke of the imminent danger of the Queen dying of cold. The army did not give generators to old people's homes.

All in all, the popular press for the week of the work to rule ran a systematic campaign against the power workers. At no time did they attempt to explain their case, or ask power workers what they thought about it all. The *Daily Mail* stated baldly on Thursday, 'The power workers have no real grievance'.

The general impression given by radio and TV was not much different from the press – except that some wretched union official was dragged on once in a while to say how sorry the unions were for the inconvenience. No one ever asked why the hospitals were having unnecessary power cuts. No one ever pointed out that old people died in thousands each year in cold and poverty, without power cuts. And on Sunday night, on the David Frost show, a power worker was physically assaulted in front of a lynch-mob audience. There can be little doubt that radio and TV helped, too, to whip up the 'public opinion' the *Financial Times* and the Government hoped for.

When it was all over, the Prime Minister gave thanks where it was due – 'to the general public for the spirit they have shown'. He might have thanked the mass communications industry, too, but then perhaps

these things are best done in private. The *Financial Times* editorialised in delight on 'A Lesson in Firmness'. When all the cards had seemed to be in the unions' hands, the unions had been the ones to back down. It was a day for Tory smiles.

It would be wrong to say that the power workers were themselves beaten by the Tory and press campaign of hate and misrepresentation. If anything, the militancy of the rank and file increased as they were attacked, their determination to win grew. Many were shocked at the news of the unions' capitulation.

Rather, it was the union leaders who were beaten. Their stomach for a fight was small enough when the work to rule began, and they felt themselves under pressure all the time. During the Sunday meeting, to discuss the Court of Inquiry, they 'showed deep concern about their loss of public support'. But they did little to alter the situation. There was no rapidly produced flood of leaflets to other workers in industry, explaining the power workers' case, explaining who was really to blame for the cuts in power supplies to hospitals, the threat to pensioners' lives.

Because the union leadership were not under the control of the rank and file, their collapse meant the collapse of the rank and file too. For in addition, there was no adequate independent rank and file organisation, which could express the ordinary workers' feelings. The combine committees were weak, in some areas non-existent. Many stewards had no real information about what was happening elsewhere. The power workers suffered from isolation, not just from the rest of the working class, but from each other. There are lessons in this defeat, to which we shall have to return.

36 National Joint Advisory Council, *Report of the 53rd Meeting*, 15 April 1971, p. 17.
37 Electricity Council, *Annual Reports*.
38 *Private Eye*, 15 January 1971 This issue contains much information on the whole subject.
39 *Financial Times*, 22 January 1971.